

King County Employees Deferred Compensation Plan

Board Meeting Minutes

May 10, 2017

Board Members: Tom Beavers, Krista Camenzind, Thomas Friedman, Pat Hamacher, Doug Hodson, Nigel Lewis, Lisa Parriott (via phone) and Pat Sainsbury

Staff: O.C. Collier-Brown

Guests: Jayson Davidson of Hyas, Michelle Fujiwara and Guen Toste of T. Rowe Price

Participant / Employee Comments

There were no Participant/Employee Comments.

Adopt April Meeting Minutes

The April meeting minutes were adopted as written.

Quarterly Report from T. Rowe Price

First quarter 2017 information was circulated prior to the meeting. During the meeting, Guen Toste distributed an Executive Summary handout.

The following Plan highlights were noted as of March 31, 2017:

- Plan assets were \$840,215,345 representing a 12.2% increase since April 1, 2016;
- There were 8,357 participants in the Plan, versus 8,175 on April 1, 2016;
- The average Participant account balance was \$100,540; and
- Notably, there were 188 participants with a balance between \$500,000 and \$750,000, 40 participants with a balance between \$750,000 and \$1 million, 8 participants with a balance between \$1 and \$1.5 million and 1 participant with a balance between \$1.5 and \$2 million

Guen notified the Board that the Plan will be moving the self-directed brokerage option from the current provider, Pershing, to Charles Schwab. The planned migration is to happen this summer. The new provider will allow participants access to more investment options, trading channels and financial service packages. T. Rowe will confirm whether the annual brokerage fee of \$50 is to be retained by T. Rowe Price and, if so, how that retention will be handled under the overall recordkeeping agreement.

T. Rowe Price is now able to handle Roth vs. non-Roth source specific contribution directives from participants. No need for Board approval but the Board agreed to move forward to allow participants to make source specific contribution directives.

Quarterly Report of the Investment Advisor

The Board reviewed the First Quarter 2017 Performance Report and Jayson Davidson noted that it was a strong quarter for most of the Plan's available investment options. The T. Rowe Price Equity Income Fund was again in violation of performance related investment policy criteria as of the quarter-end. The Fund did have a decent quarter, and the trailing 12-month performance number was strong on a relative basis. The Fund is already on watch and that status will remain.

On the legal and regulatory front, Jayson repeated the fact that the Department of Labor's request for a 60-day delay on the April implementation of the fiduciary rule was granted. As it stands, the new implementation date will be June 9th, though Jayson anticipates further delay to be approved as the date approaches. Jayson will keep the Board apprised of all developments.

The Board spent time discussing methods of communication with terminated participants regarding the benefits of keeping their assets in the County Plan. The Plan Administrator will continue to work on different campaigns and target messaging to the affected population. T. Rowe Price has begun working on a communication piece to help with the messaging and will present samples at an upcoming meeting.

Report of the Plan Administrator

O.C. Collier-Brown informed the Board that she will be working with Retirement Navigator Carmen Johnson and Transit to put together a video for retirement and deferred compensation that will be shown at all Metro bases on a continuous basis.

Report of the Chair

None

Other Business

None